



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/805,063	03/19/2004	William P. Henson	0516625.0101	7919

35602 7590 02/26/2007
Stephen C. Glazier
Kirkpatrick & Lockhart Preston Gates & Ellis LLP
1601 K Street, N.W.
Washington, DC 20006-1600

EXAMINER

KESACK, DANIEL

ART UNIT	PAPER NUMBER
----------	--------------

3691

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	02/26/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

10/805,063

Applicant(s)

HENSON ET AL.

Examiner

Dan Kesack

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 August 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-7, 25 and 26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-7, 25 and 26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date 6/9/04; 9/23/05
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This application has been reviewed. Original claims 1-7, 25, and 26 are currently pending. Claims 8-24, and 27-29 have been cancelled. The rejections are as stated below.

Election/Restrictions

2. Applicant's election without traverse of claims 1-7, 25 and 26 in the reply filed on October 26, 2006 is acknowledged.

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Art Unit: 3691

4. Claim 25 is rejected under 35 U.S.C. 102(e) as being clearly anticipated by Schulman, U.S. Patent No. 7,149,719.

Claim 25, Schulman discloses a method for securitization of sales participation certificates, comprising providing financing to an organization (column 2 lines 22-26), receiving a predefined share of revenue of the organization for a predetermined period of time (column 3 line 64 – column 4 line 3), wherein, no ownership interest in the asset management firm is received during the term of the revenue share interest, and no debt is used (column 6 lines 29-31).

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

7. Claims 1 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schulman, U.S. Patent No. 7,149,719.

Claims 1, 25, Schulman discloses a method for securitization of sales participation certificates, comprising providing financing to an organization (column 2 lines 22-26), receiving a predefined share of revenue of the organization for a predetermined period of time (column 3 line 64 – column 4 line 3), wherein, no ownership interest in the asset management firm is received during the term of the revenue share interest, and no debt is used (column 6 lines 29-31).

Claims 1, 26, Schulman does not explicitly teach that the organization is an asset management firm, however this limitation is regarded as intended use. A recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim. In this case, the organization receiving the financing has no bearing on the operation of the invention. The invention of Schulman could be used to provide financing to any organization, including an asset management firm.

Claim 4, Schulman does not explicitly teach upon termination of the revenue share interest, converting the revenue share interest to an ownership interest in the asset management firm, callable by the asset management firm.

The limitations recited in claim 4 are properties of well known financial investing instruments, such as a callable convertible bond, and Official notice is taken that practices such as converting a non-ownership interest into an ownership interest, such as equity ownership, callable by the organization, is old and well known in the art. Incorporating such a feature into the contract of an investor is desirable because it provides incentive for an investor to partake in a riskier situation in exchange for the possibility of obtaining ownership stake at some point in the future.

8. Claims 2 and 3 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schulman, in view of Adams, U.S. Patent No. 6,154,730.

Claim 2, Schulman fails to teach evaluating the revenue share interest at least in part using a probabilistic model.

Adams discloses a system for generating financing for construction of a facility, wherein an investor receives a predefined revenue share from tickets sold as a result of the facility construction, wherein an investor evaluates the revenue share at least in part using a probabilistic model (column 1 lines 45-51), and wherein the construction is considered a capital need of the owners of the facility. It would have been obvious to one of ordinary skill in the art at the time of the applicant's invention to modify the

Art Unit: 3691

teachings of Schulman to include the evaluation feature of Adams because an investor would want to perform an evaluation to determine the risk that the revenue share would be profitable enough to cover the investment.

Claim 3, Schulman fails to teach the financing is provided in connection with a succession, restructuring, buyout event, or other liquidity or capital needs of the firm or its owners.

Examiner notes that how the financing is used is related to the intended use of the invention, and does not require a specific structure of the claimed invention. As such, the invention of Schulman is capable of providing financing for any of the above-mentioned purposes (see "intended use" discussion related to claims 1,26, above). Furthermore, Adams teaches a method of generating financing, similar to the method of Schulman, as described above in relation to claim 2, wherein the financing is used for the construction of a facility, which is considered a "capital need" of the facility owners. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Schulman to include using the financing for "capital needs" because all organizations need capital to operate, and it is very common for organizations to acquire that capital from investors.

Claims 5-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schulman, in view of Freund, U.S. Patent Application Publication No. 2004/0024671.

Art Unit: 3691

Schulman fails to teach changing the term or amount of the revenue share interest based on a comparison of actual business performance to a specified target level.

Freund discloses a system and method for issuing synthetic funds for investment, wherein an investor places a cap on losses and/or gains by setting a target return (paragraph 104). In the example given by Freund, an investor is to receive a set percentage of earnings taken in from an investment, and the investor sets a maximum return of 10% of the investment. If the earnings are so high that the investor is to earn more than 10% of the initial investment, the returns are capped and the percent of earnings received by the investor is effectively reduced. Likewise, in the event a minimum return of investment is not reached, the investor would effectively receive a greater percent of the earnings. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to modify the teachings of Schulman to include loss/gain caps of Freund because such stipulations make the investment more attractive to the investor and the receiver of the investments by limiting risk in exchange for limited upside potential.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dan Kesack whose telephone number is 571-272-5882. The examiner can normally be reached on M-F, 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



HANI M. KAZIMI
PRIMARY EXAMINER